

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

Connect America Fund	)	WC Docket No. 10-90
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

**COMMENTS OF VERIZON AND VERIZON WIRELESS<sup>1</sup>**

To identify areas eligible for support through the Mobility Fund Phase II<sup>2</sup> the Commission should use Mosaik data, as proposed, but provide clear standards for carrier corrections to eligible area data to ensure more accurate coverage information is available. In addition, the Commission should make sure that the public interest obligations imposed on winning bidders in Phase II are clear in advance of the auction so that parties can formulate their bids and remain consistent throughout the term of support.

DISCUSSION

1. *The Commission should establish clear standards to ensure more accurate coverage data.* There does not appear to be a coverage database that is superior to the Mosaik Solutions data identified in the *Notice* for identifying areas that lack 3G or better service targeted for ongoing Phase II support.<sup>3</sup> Indeed, many carriers work directly with Mosaik to help improve the data's accuracy. The Commission therefore should continue to use Mosaik data for this

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<sup>1</sup> The Verizon companies participating in this filing are the regulated, wholly owned subsidiaries of Verizon Communications Inc., and Verizon Wireless (“Verizon”).

<sup>2</sup> *Further Inquiry Into Issues Related to Mobility Fund Phase II*, WC Docket No. 10-90, WT Docket No. 10-208, Public Notice, DA 12-1853 (rel. Nov. 27, 2012) (“*Notice*”).

<sup>3</sup> *Notice* at ¶¶ 7-8.

purpose in the Mobility Fund Phase II. Most wireless carriers also self-publish considerable coverage data on their websites and elsewhere. For these reasons, additional burdensome coverage data collection obligations on wireless carriers in order to identify areas eligible for Phase II support are not necessary.

Although Mosaik data is the best available for this purpose, it is not without limitations. The Mosaik data is based on what the carriers provide, but the two sets of data do not match perfectly. For example, in some cases, the Mosaik data may indicate that a particular area lacks 3G or better coverage when carrier data may indicate that coverage exists in the same area because of reporting lag times and other issues. The Commission therefore should publish the list of potentially eligible census blocks based on the Mosaik data to allow for carrier correction, as it did with Phase I of the new Mobility Fund program. In addition, the Commission should establish clear standards for carrier filings to identify and correct errors in the Mosaik coverage information.

In Phase I, a number of carriers – including Verizon – submitted corrections to the Mosaik data. However, the Wireless Telecommunications Bureau (“Bureau”) found many of those corrections to be insufficient without additional internal testing and other information to validate coverage claims in certain areas. It was not clear to carriers at that time what information the Bureau required in order for carriers to “prove in” coverage in particular areas. Accordingly, the Commission should make clear what the standards for such filings are in Phase II, so that filers are able to provide information that is sufficient to the Bureau and coverage information is as accurate as possible. It is critical to have a better system in Phase II because the Bureau will be distributing significantly more funding (\$500 million annually) and – unlike in Phase I – wireless carriers will receive support on an ongoing basis, potentially for a 10-year

term. Consistent with the Commission's universal service goals and the new budget for the Mobility Fund and the larger high cost program, Phase II funding should be targeted to areas that truly need ongoing subsidies for carriers to deploy and maintain advanced mobile services.

The burden of proof for carriers that "challenge" areas identified as unserved should not be excessive. The Commission already has concluded that it should not provide support where at least one carrier already provides 3G or better service in a particular area, and there is no incentive for a carrier to claim to serve an area that it does not in fact serve.

For example, the Bureau could establish a streamlined process: (1) census blocks potentially eligible for support are identified by Mosaik and posted by the Bureau for comment; (2) wireless carriers are given a reasonable amount of time – at least as long as the time provided in connection with Mobility Fund Phase I – to review the list, compare it to internal coverage data, and file corrections; (3) interested parties are then given a reasonable opportunity to respond to carrier challenges; (4) if there is a coverage dispute in a particular area, to validate the challenge carriers could then be required to submit more detailed, local coverage data such as drive tests, network facility information (cell tower location, signal strength, etc.), and/or engineering affidavits; and (5) Bureau staff would then be in a position to evaluate the sufficiency of carrier coverage claims and finalize the list of eligible areas.

An incremental, but simple, process such as this approach is the most efficient way to quickly identify specific areas where there are legitimate coverage disputes that the Bureau must resolve. In Phase I, carriers did challenge a significant number of census blocks (several thousand) – but those challenges still only focused on about 10 percent (or fewer) of the "unserved" areas that made the initial list. And while interested parties such as local rural wireless carriers and others did dispute carrier coverage claims in a few instances, the vast

majority of census blocks where carriers claimed to have coverage were undisputed. Given that experience, it does not make sense to require wireless carriers to submit voluminous, sensitive network coverage detail for potentially thousands of local areas unless there is a legitimate coverage dispute. A more burdensome process will discourage wireless carriers from devoting resources to careful review of the Mosaik data, which would result in unnecessary subsidies in many areas and deprive consumers in other truly unserved areas from the benefits of the new program.

2. ***The Commission should ensure that obligations under Phase II are clear and consistent.*** The public interest obligations of Mobility Fund Phase II recipients must be made clear *prior* to the auction, so that participants can formulate rational bids. The *Notice* seeks comment on whether the obligations “should be modified during the proposed 10-year term of support to reflect anticipated advances in technology.”<sup>4</sup> But, if the obligations are to change during the term of support, the parameters and timing of any changes must be known to bidders at the outset, prior to the solicitation of bids in the auction. Bidders cannot determine appropriate bid levels unless cost-driving regulatory obligations are known at the time bids are formulated. Thus, if the Commission wishes to establish incrementally increasing standards – for example, for throughput capacity – the Commission must establish the set of metrics for the entire term of support and make those standards known to prospective bidders, *before* bids are solicited.

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<sup>4</sup> *Id.* at ¶ 14 (internal citations omitted).

Respectfully submitted,

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